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STATE OF ILLINOIS

ILLINOIS COMMERCE COMMISSION

CITIZENS UTILITY BOARD	:	
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Petition to Implement a form of	:	97-0192
telephone number conservation known	:	
as number pooling within the 312, 773,	:	
847, 630 and 708 area codes.	:	
	:	
ILLINOIS BELL TELEPHONE COMPANY	:	
	:	
Petition for Approval of an NPA Relief Plan	:	97-0211
for the 847 NPA.	:	(Consol.)

ORDER

May 11, 1998

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ORDER

By the Commission:

I. INTRODUCTION

On April 21, 1997, the Citizens Utility Board ("CUB") filed a petition requesting that the Illinois Commerce Commission ("Commission") investigate and order the implementation of number pooling or other number conservation measures to delay or avoid the need for relief in Number Plan Area ("NPA") 847 and additional Chicago metropolitan NPAs. In response, the Commission initiated Docket 97-0192 for purposes of investigation.

Petitions to Intervene were filed, and granted by the Hearing Examiner as follows: the People of Cook County ex rel. Richard A. Devine, States Attorney of Cook County ("Cook County"); Southwestern Bell Mobile Systems, Inc. d/b/a Cellular One—Chicago ("Cellular One"); the People of the State of Illinois ex rel. James E. Ryan, Attorney General of Illinois ("Attorney General"); Illinois Public Telecommunications Association ("IPTA"); Illinois Bell Telephone Company d/b/a Ameritech Illinois ("IBT"); Teleport Communications Group, Inc. ("Teleport"); Central Telephone Company of Illinois ("Centel"); AT&T Communications of Illinois, Inc. ("AT&T"); MCI Telecommunications Corporation ("MCI"); Cable Television & Communications Association of Illinois ("CTCA"); Nextel Communications, Inc. ("Nextel"); Pronet. Inc.; the Northwest Municipal Conference; AT&T Wireless PCS, Inc; Paging Network, Inc. and Paging Network of Illinois (collectively "Paging Network"); West Central Municipal

Conference; and NextLink, Illinois. An appearance was filed by the City of Chicago pursuant to 10-108 of the Illinois Public Utilities Act ("PUA"). The Illinois Electronic Security Association ("IESA") also filed an appearance.

On May 5, 1997, Illinois Bell Telephone Company ("IBT" or "Ameritech" or "the Company") in its role as Local Number Administrator for Illinois under the North American Numbering Plan ("NANP") filed a verified Petition ("Petition") with the Illinois Commerce Commission ("Commission") seeking approval of a relief plan to relieve an anticipated shortage of telephone central office codes ("NXX codes") in the 847 Numbering Plan Area ("NPA"). In its Petition, IBT stated that the available supply of NXX codes in 847 NPA is projected to exhaust at some point between April and December 1998. To address this exhaust IBT set forth two alternative proposals for 847 NPA relief: (1) a geographic split; and (2) an all service overlay with mandatory 11-digit dialing for all calls within the NPA boundaries. In addition, the Company outlined a tentative timeline for implementation of each proposal starting from the date of a final Commission order approving one of the proposals.

Because the issues in Dockets 92-0192 and 97-0211 were deemed sufficiently related, the Hearing Examiners set both dockets on a parallel timeline. Initially, these dockets were consolidated for purposes of hearing only. The Hearing Examiners issued a Proposed Interim Order approving an all service overlay for the 847 NPA on October 10, 1997. With the agreement of the parties, this order was not presented to the Commission for approval. The parties elected instead to complete hearings on the number pooling issues so that a final proposed order could be presented to the Commission in both dockets at the same time. By this Order, the Commission consolidates both of these dockets. Accordingly, this Order shall serve as a final Order in both dockets.

Pursuant to notice as required by law and the rules of the Commission, various prehearing conferences and status hearings were held before two duly authorized Hearing Examiners of the Commission in Chicago, Illinois, on May 28, September 8, and September 9 and 29, October 7 and 28. Evidentiary hearings were held August 12-14, in both dockets. Additional evidentiary hearings in Docket 97-0192 were held November 19-20, 1997. At the conclusion of the November 20, 1997 evidentiary hearing, the record was marked "Heard and Taken."

In Docket 97-0192, CUB presented the written direct, rebuttal, and additional direct testimony of J. Seamus Glynn, Associate Director. Staff presented the prefiled written direct and rebuttal testimony of Brent A. Struthers, an Economic Analyst in the Telecommunications Division of the Commission. IBT presented the direct and rebuttal testimony of Patricia Fleck, Engineer-Technical Regulatory Liaison. MCI presented direct and rebuttal testimony of Elizabeth G. Kistner, consultant. The Attorney General presented direct and rebuttal testimony of Lee L. Selwyn, President of Economics and Technology, Inc. Nextel presented the direct and rebuttal testimony of John Cafaro, Vice President of Engineering/Network Operations. Cellular One presented direct and

rebuttal testimony of Peter J. Long, Manager, External Affairs. The City of Chicago presented direct and rebuttal testimony of communications consultant Walter G. Bolter. Cook County presented direct and rebuttal testimony of independent consultant Beth O'Donnell.

In Docket 97-0211, Staff presented the direct and rebuttal testimony of Brent A. Struthers, an Economic Analyst in the Telecommunications Division of the Commission. IBT presented the direct and rebuttal testimony of Lisa K. Robinson, Manager-Switched Software and Area Code Planning and the direct and rebuttal testimony of Patricia Fleck, Engineer-Technical Regulatory Liaison. CUB presented the direct and rebuttal testimony of J. Seamus Glynn, Associate Director. AT&T presented the direct testimony of Lila K. McClelland, Regulatory Manager, State Government Affairs Organization. MCI presented direct and rebuttal testimony of Dennis L. Ricca, Senior Regulatory Analyst, Regulatory and Legislative Affairs for the Northern Region of MCI. AT&T presented the testimony of Lila K. McClelland, Regulatory Manager. The Attorney General presented direct and rebuttal testimony of Lee L. Selwyn, President of Economics and Technology, Inc. The IESA presented the direct and rebuttal testimony of Jerry Robinson, President and Secretary of ABC Security Corporation. Nextel presented the rebuttal testimony of John Cafaro, Vice President of Engineering/Network Operations. Cellular One presented direct and rebuttal testimony of Peter J. Long, Manager, External Affairs. The City of Chicago presented direct and rebuttal testimony of communications consultant Walter G. Bolter. Cook County presented direct and rebuttal testimony of independent consultant Beth O'Donnell.

A Hearing Examiners' Proposed Order was issued and exceptions were filed thereto. The Exceptions filed are considered herein.

II. IS NUMBER POOLING A FEASIBLE ALTERNATIVE TO AREA CODE RELIEF?

A. Introduction

Number pooling is a generic term for a number conservation proposal called NXX-X/LRN. It is not traditional area code relief in that it does not create new numbers for use in an exhausting NPA. Number pooling is designed to make more efficient use of existing number resources, thereby extending the life of an NPA (i.e. area code) for some period of time.

As a matter of background, an 11 digit telephone number is made up of a 1, followed by an NPA, followed by an NXX, which is followed by an XXXX in the form 1-NPA-NXX-XXXX. The NPA (Numbering Plan Area) is the area code. The NXX is the prefix. The XXXX is the last four digits of the telephone number. NXX-X stands for the prefix and the first of the last four digits of the telephone number, or a block of one thousand numbers. LRN (location routing number) is the method being developed for number portability in Illinois.

NXX-X/LRN, would split an NXX a block of 10,000 telephone numbers into blocks of 1,000, an NXX-X. This would mean that one NXX could be assigned to as many as 10 carriers instead of 1 NXX per carrier, as is the case today. This method of allocating NXXs requires number portability to be in place to function. Without number portability, the LNP database, and each carriers' internal databases, routing for calls within the same NXX to different carriers would not be possible. However, under the NXX-X/LRN proposal the NXX would be assigned in the local exchange routing guide (the LERG, the national database for all NXX assignment information) to one carrier. However, that carrier would only get a portion of those numbers, for example, all the numbers from 312-814-0000 to 312-814-0999. Another carrier might get the block of numbers 312-814-1000 to 312-814-1999 while a third carrier might get the block 312-814-2000 to 312-814-2999 and so on.

B. Does the Commission have the legal authority to institute Number Pooling?

A preliminary issue that must be addressed before the merits of number pooling are discussed is whether the Commission has jurisdiction to institute number pooling. Nextel and Cellular One argue that the Commission cannot implement number pooling and conservation of any kind.

Nextel and Cellular One contend that the Commission does not have authority to order the implementation of number pooling. They cite Section 251(e)(1) of the Telecommunication Act of 1996 (the "1996 Act") which provides the Federal Communications Commission ("FCC") with "exclusive jurisdiction over these portions of the North American Numbering Plan ["NANP"] that pertain to the United States." 47 U.S.C. Section 251(e)(1). Nextel and Cellular One assert that while the 1996 Act also authorizes the FCC, in its discretion, to delegate certain NANP functions to the states, the FCC has delegated to state commissions jurisdiction only to resolve certain matters "involving the introduction of new area codes." 47 CFR §§ 52.19 (a, b). They further assert that the FCC has concluded that retention of its exclusive authority over NANP administration and policy decisions is necessary to "ensure the creation of a nationwide, uniform system of numbering. . .". Second Report and Order and Memorandum. Opinion and Order, FCC Docket No.96-98, released August 8, 1996 ("Second Report and Order"), ¶ 19 Nextel and Cellular One accordingly argue, that the FCC has expressly declined to delegate state commissions either the authority to "handle [Central Office ("CO")] code assignment functions" or the "task of overall number allocation, whether for NPA codes or CO codes." Second Report and Order, ¶ 312.

Nextel and Cellular One argue that number pooling does not involve the introduction of a new area code. Accordingly, they assert that "number pooling" does not constitute a form of "area code relief", the implementation of which has been delegated by the FCC to state commissions. On the contrary, they argue that "number pooling" involves a change in the manner by which numbering resources are allocated

and assigned to telecommunication carriers -- matters over which state commissions have not been delegated authority.

Nextel argues that although the Commission lacks jurisdiction to order the implementation of number pooling, Nextel does not object to the issuance of an Order endorsing and encouraging the continued efforts of the industry, under the auspices of the Commission Staff and the Number Pooling Subcommittee, to implement and conduct a trial of number pooling. However Nextel argues that the trial should be limited to the 847 NPA.

Cellular One argues that it is not clear whether number pooling can be considered a form of code relief. Even if it could, Cellular One contends that it is not clear whether a number pooling "trial" would meet the FCC's general requirements that "telecommunications numbering resources [be] available on an efficient, timely basis to telecommunications carriers." citing 47 CFR §§ 52.19 (a)(1).

Finally, Illinois Bell argues that if the Order in this docket were limited to a relief plan for the 847 NPA, rather than being a comprehensive relief plan for the entire Chicago area, implementation of conservation measures beyond the 847 NPA may be beyond the Commission's jurisdiction since the FCC "has not made a general delegation of authority to the states over number administration."

In its Reply Brief, CUB argued that those jurisdictional arguments of Nextel and Cellular One twist the plain meaning of federal area code relief guidelines and FCC decisions and, accordingly, should be rejected. CUB contends that the development of an area code relief plan using a method that differs from the existing split and overlay methods is well within the broad outlines of the various number administration functions that the FCC has delegated to the states. CUB asserts that the FCC has repeatedly authorized the states to resolve matters involving the implementation of new area codes.

CUB argues that Cellular One and Nextel do not cite the fact that the FCC subsequently clarified states' role in numbering administration matters and area code relief planning in particular when it held that "(s)tate commissions are uniquely positioned to understand local conditions and what effect new area codes will have on those conditions." Implementation of Local Competition Provisions of the Telecommunications Act of 1996, Second Report and Order, CC Docket No.96-333, par. 272 ("Second Report and Order"). CUB states that the FCC rejected arguments from some carriers that a state's right to choose an area code relief method should be prohibited or severely restricted. CUB argues that the FCC concluded that "(s)tates are in the best position at this time to determine dialing patterns because of their familiarity with local circumstances and customs regarding telephone usage." *Id.* at par. 317.

CUB also stated that the FCC elaborated further in its Second Report and Order on states' role in area code relief planning, holding "that states wishing to become

responsible for initiating area code relief planning, a function currently performed by the LECs as CO code administrators, may do so, even after transfer of CO code administration from the LECs to the new NANP administrator." Second Report and Order, at par. 319. In doing so, the FCC specifically noted that state commissions have "recently begun to reject or significantly alter LEC proposals as area code relief has become more controversial." *Id.* at par. 318, footnote 680. Affirming this authority, the FCC concluded that "enabling states to initiate and develop area code relief plans is generally consistent with our previous delegation of new area code implementation matters to the state commissions based on their unique familiarity with local circumstances." *Id.* at par. 319.

CUB also responds to the arguments of Nextel and Cellular One that in the Second Report and Order, the FCC declined to delegate the state commissions the authority to "handle (Central Office ["CO"]) code assignment functions" or the "task of overall number allocation." Citing Second Report and Order; pars. 312, 317. CUB states that there is a big difference between a state commission assuming the role of Local Number Administrator (what the FCC was referencing in its Second Report and Order-- something CUB is not asking the Commission to do) and a state commission taking steps to make the existing number assignment system more efficient in the wake of evidence that telecommunications carriers have assigned them inefficiently. CUB asserts that the point here is that the CUB plan is not requesting the ICC to delegate the task of allocating NPA codes to itself or to begin administering NXX codes. CUB asserts that that job will remain with Ameritech, and then Lockheed Martin, the entity designated to assume the job of number administration in the next year. Rather, CUB states that its proposal calls for improvements in the efficiency of the code assignment process overseen by the Local Number Administrator and the minimization if not total elimination, of the need for area code relief.

With regard to IBT's arguments, CUB reiterates its position that this docket is not about turning over number administration to the ICC. Rather, CUB argues that It involves a proposal for making the existing number administration more efficient.

CUB argues that while parties retain the right to challenge jurisdiction throughout a proceeding, it notes that Nextel, Cellular One and other parties now claiming jurisdictional challenges to the Commission's authority to approve CUB's proposals never filed a Motion to Dismiss this docket on jurisdictional grounds.

COMMISSION CONCLUSION

It is important to note that no party in this matter filed a Motion to Dismiss this matter for lack of jurisdiction. According to the FCC, state Commissions have been delegated the authority to implement area code relief plans. Without question, number pooling can be defined as is an area code relief plan that we are considering for the 847 NPA. Although number pooling does not create new numbers for use in an exhausting NPA, it does, nonetheless, "relieve" NPA exhaust by making more efficient

use of existing number resources, thereby extending the life of an area code for some period of time. If no relief plan is implemented, there is no dispute that the 847 area code will be depleted in the near future. The Commission, accordingly, rejects these jurisdictional arguments.

B. Can Number Pooling forestall 847 XX exhaust?

CUB

CUB's position is that implementation of number conservation and number pooling by April 1, 1998 will forestall the need for area code relief in the 847 NPA for more than six years at a minimum. The basis for this position is the analysis performed by CUB witness Glynn.

In order to provide CUB with the data required for an analysis of area code exhaust, the Hearing Examiners issued subpoenas to every NXX code holder in the 847 NPA. CUB witness Glynn used the data received to review NXX code fill rate and future NXX code use data deemed proprietary by the carriers that had been previously supplied in response to data requests issued by the Commission Staff in its Number Pooling Subcommittee of the Local Number Portability workshop. Mr. Glynn conducted an analysis of the data and submitted additional testimony that set forth conclusions regarding the length of time number pooling (and conservation) could forestall the need for area code relief in the 847 NPA.

In his Additional Direct Testimony, CUB witness Glynn specified the data that he reviewed. The information provided by the carriers consisted of the following:

- (1) a count of telephone numbers unavailable for assignment within each block of 100 numbers assigned to each NXX code holder. A telephone number is considered unavailable for assignment if it is: (1) assigned to an end user; (2) reserved for an end user; (3) used for testing; or (4) otherwise unassignable. The date on which these counts were made was also supplied;
- (2) for each NXX-X block of 1,000 numbers with 50 or fewer phone numbers unavailable for assignment (as defined above) on the day counts were made in response to the bulleted item above, an identification of which NXX-X blocks of 1,000 numbers remain 5% or less filled;
- (3) a list of all NXX-X blocks that each NXX code holder would be willing to place into a pool for sharing at the rate center level; and
- (4) each NXX code holder's forecasted need for numbering resources in the 847 NPA by calendar quarter from the third quarter of 1997 to the second quarter of 1999, inclusive. Wireless carriers provided forecasts for blocks

of 10,000 numbers by rate center. Wireline carriers provided forecasts by rate center and at the NXX-X (thousands) block level.

Mr. Glynn's analysis of the effect of number pooling and conservation on NXX code exhaust relied on a number administration model that he designed. This model allowed him to compare and contrast the effect on numbering resources within the 847 NPA of implementing number pooling and number conservation with the resources that would remain if the current numbering assignment system is left unchanged. Mr. Glynn created three scenarios for purposes of his analysis.

The first scenario assumed the implementation of both number pooling and number conservation. He based this scenario on the following assumptions: (1) that number pooling and number conservation, as defined in his testimony, are implemented by the second quarter of 1998; (2) that the NXX-X blocks carriers identified in their response to the subpoena as reserved for pooling will be used to satisfy their own demand to the extent possible until pooling is deployed; (3) that any NXX-X block in a carrier's possession with 5% or fewer assigned numbers could be used to meet that wireline carrier's demand when their pooled blocks ran out, (4) that all NXX-X blocks with 5% or fewer assigned numbers in every wireline carrier's possession will go into a rate center pool when pooling is implemented; (5) that a wireline carrier or wireless carrier with more than one NXX in a rate center must have an overall assignment rate greater than 75% for all of its NXX blocks in that rate center before it can receive a new NXX-X block; (6) that a carrier that has one or no codes is exempt from the 75% threshold fill rate requirement; and (7) that each carrier's NXX fill rate increases by 11% per quarter or a very generous 52% per year. CUB Ex. 3.0 at 7, 8.

Mr. Glynn concludes that this first scenario shows that there will be enough NXX codes in the 847 NPA to satisfy the demand for numbering resources, as forecasted by the 847 code holders, for six years and one month, assuming the implementation of number conservation and pooling by the second quarter of 1998. For purposes of this scenario, Mr. Glynn incorporated the effect of the implementation of certain number conservation measures -- one of which already is being practiced pursuant to the Local Number Administrator's request and informal agreement by carriers. Mr. Glynn's assumed conservation measures refers to two specific fill rate or number utilization requirements. These conservation measures will be discussed further in Section III of this order.

Mr. Glynn's second scenario, as detailed in CUB Exhibit 3.2, is based on the assumption that number pooling alone is implemented. This scenario assumes (1) that number pooling is implemented by the second quarter of 1998; (2) that the NXX-X blocks carriers identified in their response to the subpoena as reserved for pooling will be used to satisfy their own demand to the extent possible until pooling is deployed; (3) that any NXX-X block in a carrier's possession with 5% or fewer assigned numbers could be used to meet that carrier's demand when their pooled blocks ran out, and (4)

that all NXX-X blocks with 5% or fewer assigned numbers in every wireline carrier's possession will go into a rate center pool when pooling is implemented. CUB Ex. 3.0 at 8, 9.

Mr. Glynn concludes that the implementation of number pooling alone will forestall the need for area code relief in the 847 NPA by four years and one month. He notes that his analysis indicates that failing to incorporate number conservation reduces the exhaust delay by two years.

Mr. Glynn's final scenario assumes that neither number pooling nor conservation are in effect over the two-year period of the study. This scenario also assumes (1) that all carriers have full utilization of all their NXX codes and no reserves of numbers; (2) that no pooling or other new conservation measures are in effect over the two-year period of the study; (3) that the first NXX-X block of 1,000 numbers listed on a forecast by a carrier will be met by allocating a full NXX (10,000 numbers) to that carrier; and (4) that carriers would receive additional NXXs when their forecasts called for the eleventh, twenty-first, etc. NXX-X block projection. CUB Ex. 3.0 at 9.

Mr. Glynn concludes that existing numbering resources in the 847 NPA will exhaust by the second quarter of 1999, assuming neither number pooling or number conservation is implemented. Id. at 11. CUB notes that Mr. Glynn's conclusion under the third scenario is consistent with the most recent Wallace Data Comp survey provided to the Local Number Administrator, at an October 14, 1997 meeting of the Chicago Area Telecommunications Industry Team. The Wallace study showed that 15 unassigned NXXs would remain at the end of the fourth quarter of 1998. Mr. Glynn's model shows that 28 NXXs would remain at that same point in time. Id. at 12.

CUB states that for several reasons, Mr. Glynn's analysis of the effect of number pooling and conservation on area code exhaust within the 847 NPA should be viewed by the Commission as a conservative one. First, Mr. Glynn's analysis assumes that all carriers' utilization rates of numbering resources increases by 50% each year, or more than doubles over a two-year period. CUB Ex. 3.0 at 2. CUB argues that this 50% figure significantly exceeds the 40% total aggregate forecasted growth in assigned phone numbers derived from the data supplied by all code holders in response to the subpoenas. See CUB Ex. 3.5.

Second, CUB contends that the analysis assumes that wireless carriers, who it states have until June 30, 1999 to begin participation in local number portability, will not participate in pooling throughout the period of analysis, which again runs from the third quarter, 1997 through the second quarter, 1999. Tr. 1477, 1478. CUB notes that once wireless carriers are LNPcapable, more telephone numbers will be available for pooling, thereby significantly extending the life of the 847 NPA.

Third, CUB states that Mr. Glynn's analysis of the aggregated forecast figures revealed these forecasts tend to exaggerate the need for numbering resources generally, and particularly at the rate center level. CUB Ex. 3.0 at 12. CUB states that

for wireline service, which is the source of about three-fourths of the demand for telephone numbers, the overall aggregate forecast for assigned telephone numbers amounted to a 35% increase over the existing number of assigned telephone numbers in the 847 NPA over the two-year forecast period. That 35% increase in assigned telephone numbers amounts to five times more than the 3.4% annual access line growth figure (or about 7% over two years) that Illinois Bell recently reported is likely to occur. Id. CUB argues that these figures suggest that the forecasts of NXX code usage provided by many of the 847 code holders are generous, if not overstated.

Fourth, CUB states that another basis for concluding that Mr. Glynn's analysis errs on the side of conservatism can be found in the definition of "assigned telephone number" that he employed in the study. According to Mr. Glynn, his analysis included telephone numbers that technically are not in use but nevertheless assumed to be unavailable for pooling.

CUB asserts that a fifth basis for concluding that Mr. Glynn's analysis is a conservative one, relates to the arrival of LNP. Mr. Glynn explained that with the evolution of number portability to incorporate geographic portability comes the technical ability to share blocks of telephone numbers within an NXX code across rate center boundaries. This development means that blocks of phone numbers previously trapped in slow-growth rate centers can be used to meet demand for numbering resources in more rapid-growth rate centers. CUB anticipated that geographic portability will become a reality in approximately two to four years.

AG

AG witness Selwyn noted in his direct testimony that just as the FCC has adopted a data base driven "pooling" strategy to efficiently assign '800" and "888" numbers on a nationwide basis, implementation of permanent data-base driven LNP in MSA-1 can effectively eliminate the need to assign 10,000-number NXX codes to each carrier wishing to establish a presence in a given rate center. AG Ex. 1.0 at 14-15.

The AG stresses that there is a need for a more efficient method of telephone number administration. AG notes that when only one monopoly carrier was providing telephone service, the inefficient number administration system adequately served customer and carrier needs. AG asserts that this system was not designed to accommodate the needs of dozens of carriers and customers with dozens of choices.

COOK COUNTY

Cook County also supports number pooling. Cook County argues that CUB's area code relief plan is easily implemented, pro-competitive, and meets the FCC's, the Industry Numbering Committee's ("INC's") and the ICC's criteria for approval. Cook County argues that CUB's plan will put an end to the outmoded industry practice of dealing with perceived number shortages only by adding more unneeded area codes

and increasing the amounts of unused telephone numbers. Cook County asserts that the granting of CUB's Petition will benefit Illinois' telecommunications industry businesses, and residential consumers.

Cook County argues that it is patently obvious that the current number assignment system, issuing blocks of 10,000 phone numbers per assigned NXX, is inefficient and the Commission should order the Number Administrator to assign telephone numbers in blocks of 1,000, rather than blocks of 10,000, and all other relief requested in CUB's Petition. Cook County asserts that unless number assignment policies are modernized now, the present pace at which new area codes will be created will place excessive costs and inconvenience on consumers who are the intended beneficiaries of new services and competition in the telecommunications industry. In addition, Cook County urges the Commission to order the number conservation measures outlined by CUB along with number pooling in order to extend the life of the 847.312, 773.630. and 708 area codes.

CITY

The City also supports number pooling. The City argues that the historical method for allocating numbering resources is wasteful and causes unnecessary area code "relief", requiring the assignment of additional area codes even though millions of numbers remain unused in the current area code. The City argues that, in contrast, number pooling and the proposed conservation measures provide for the economically efficient utilization of numbers that will delay area code exhaust. CUB Exhibit 3.0. The City asserts that regardless of whether number pooling can be implemented before the 847 area code exhausts, no rationale exists for the Commission to deny CUB's Petition and order the implementation of number pooling and the other proposed conservation measures.

The City argues, however, that the record indicates that the Commission can implement number pooling in time to delay the exhaust of the 847 area code. The City contends that even factoring in unexpected slippage in the implementation timetable, there can be no reasonable disagreement that number pooling can be implemented at a substantial time before the 4th quarter projected exhaust of the 847 area code. The City argues that although the exact date may be unknown, the ultimate implementation date will only determine the length of the delay in the exhaust of the 847 NPA, not whether it can be delayed. The City asserts that even if the implementation date for number pooling slips to the point where a shorter delay becomes evident, the Commission's decision is clear in light of the alternative costs and burden that would be borne by consumers under traditional area code exhaust. For example, the City states that if indeed the delay in exhaust resulting from number pooling lasts only one or two years, the Commission would always have the option at that later date to implement a traditional area code relief plan, if necessary.

MCI

MCI argues that the Commission should not be distracted by debate about how long area code exhaust may or may not be delayed. Rather, MCI states that the Commission should take the initiative and order the Illinois telecommunications industry to develop, test and implement a number pooling solution for Illinois as soon as possible and set a specific target date for implementation. MCI asserts that the testing of number pooling can be done once LNP is implemented and, as discussed below, the Commission should order Ameritech to implement LNP immediately. MCI submits that if Ameritech is ordered to immediately turn-up LNP in the Chicago MSA, it would not be unreasonable for the Commission to expect that number pooling can be tested and implemented by April 1, 1998. MCI states that given the general support of the parties for a number pooling solution for Illinois, the Commission should not hesitate to act quickly and decisively on this important issue.

ILLINOIS BELL

IBT urges the Commission to approve an 847 NPA relief plan in for immediate implementation, without regard to whether number pooling is implemented or not. IBT explains that the 847 NPA is projected to exhaust as early as the end of 1998. Accordingly, IBT argues that NPA relief can not be implemented without a reasonable period for customer information and education and without allowing telecommunications providers and alarm companies adequate lead time to reprogram their equipment.

IBT argues that for NPA relief to be in place prior to exhaust, implementation must begin immediately upon issuance of the Commission order. IBT asserts that with April 1, 1998, being the earliest date that number pooling may be implemented in the 847 NPA, it no longer is reasonable to put off action on NPA relief in the hope that number pooling may forestall the need for that relief.

IBT states that exhaust is expected to occur by the end of the fourth quarter of 1998. IBT further states that it takes at least seven to eight months to implement an all service overlay and a year to implement reasonably a geographic split. According to IBT, these are the minimum lead times necessary for customer information and education and for the reprogramming of telecommunications and alarm equipment. Thus, IBT asserts that the Commission must act in its final order to adopt and implement an area code relief plan if the exhaust of the 847 NPA is to be avoided.

IBT states that the Commission should not rely on Mr. Glynn's analysis as a rationale to delay implementation of an 847 NPA relief plan. IBT first notes that Mr. Glynn's analysis is based on the assumption that number pooling will be implemented among landline telecommunications carriers in the 847 NPA, at least on a trial basis, by April 1, 1998. IBT states that while it shares the goal to implement a number pooling trial in the 847 NPA on April 1, 1998, there is no certainty that that date will be met.

IBT asserts that it would be poor public policy to rely on number pooling, which has not yet been trialed anywhere in the country, to delay implementation of an area code relief plan that is needed now. IBT argues that running out of assignable NXX codes because of a bad gamble on number pooling would be unfair to code applicants, including the many new entrants, and consumers alike.

Second, IBT contends that the Commission should not rely on Mr. Glynn's analysis because there simply are too many variables to make an accurate prediction of the impact of number pooling on area code exhaust. IBT asserts that it is not clear what new demands for NXX codes and telephone numbers will appear on the horizon in the next few months or years. Therefore, IBT argues that estimating what the actual demand for NXX codes will be five years from now is more guesswork than science and should not be relied upon for critical public policy decisions on number relief that is needed now.

Third, IBT points to what it refers to as a critical error in Mr. Glynn's analysis, which renders its conclusions unreliable. IBT asserts that Mr. Glynn assumed for purposes of his analysis that there would be 175 NXX codes remaining available for assignment at the end of the third quarter, 1997, and that 21 months later on June 30, 1999, there still would be 135 NXX codes remaining available for assignment. Tr. 1122-1124. IBT states that, in fact, as noted above, there were only 136 NXX codes remaining available for assignment at the end of the third quarter, 1997, which is only one more than the number Mr. Glynn's analysis assumes would be available 21 months later on June 30, 1999. IBT asserts that Mr. Glynn has assumed out of existence the next 21 months of demand for NXX codes, demand which will exhaust 847 within the next 12 months.

Fourth, IBT argues that Mr. Glynn's analysis ignores a key element of NXX code demand new entrants. IBT notes that Mr. Glynn made his projections of future code demand based on forecast information provided by 28 existing code holders and one new entrant. Tr. 1021. IBT argues that he made no assumptions and forecasted no code demand for any other carriers. Tr. 1021-1023. IBT characterizes this as a particularly critical error since it is code demand from new entrants which is largely driving the 847 NPA exhaust.

IBT states that there are 30 carriers to whom certification already had been granted that had not yet requested codes. Tr. 1259-1260.) In addition, there are three PCS providers planning to operate in MSA-1 that had not yet requested any 847 NXX codes. Am. III. Ex. 1.6, p.3. IBT does not contend that all of these carriers will request 847 NXX codes in the near future. However, IBT argues that if only a handful of these carriers commence operations in the 847 NPA area, their code demand quickly could exhaust the remaining 847 NXX codes. IBT argues that neither IBT, the Commission nor CUB knows these carriers' marketing plans. Accordingly, IBT states that, it is unreasonable to forecast no code demand from any of these carriers in the next six years as Mr. Glynn has done.

IBT contends that a fifth error in Mr. Glynn's analysis is that he established an arbitrary limit on carriers' rate of use of numbers. IBT notes that under Mr. Glynn's analysis, once number pooling was implemented on April 1, 1998, he did not assign a new code to any carrier in a rate center until that carrier's existing codes in that rate center were 75% utilized. IBT further notes that to determine when the 75% threshold would be met, Mr. Glynn assumed that no carrier would grow numbers in use by more than 13% per quarter. IBT is critical of this assumption because while in the aggregate, this is a very generous growth assumption, it breaks down at the individual carrier level. As an example, IBT states that an incumbent carrier such as Ameritech Illinois may not grow numbers in use by 13% per quarter; however, a new entrant with only a few customers today reasonably could hope to grow its numbers in use at a much faster rate than 13% per quarter in its early years of operation. IBT, thus, states that Mr. Glynn's analysis may not capture the realistic growth of many new carriers that are the primary source of 847 NXX code demand.

IBT finds a sixth weakness in Mr. Glynn's analysis relating to his treatment of wireless and paging company demand. IBT argues that he made no allowance for wireless carrier demand by rate center but forecasted wireless demand without regard to rate center. Tr. 1133. Further, IBT argues that he also made no allowance for wireless and paging companies' needs for special use codes, *i.e.*, the need for a unique NXX code to differentiate a particular class of service such as calling party pays. Tr. 1139. According to IBT, both of these errors understate wireless NXX code demand, which is a particularly critical error since wireless carriers will not participate in number pooling and will continue to request numbers in complete NXX code (10,000 number) blocks. IBT states that a slight understatement of wireless demand could result in a significant overstatement of the life of the 847 NPA.

In summary, IBT asserts that Mr. Glynn's analysis is unreliable. IBT points to the fact that only 21 months after the 847 NPA was opened in January, 1996, there are only 136 NXX codes left available for assignment. The projected code demand of just the currently active carriers will exhaust the remaining inventory by the end of 1998. IBT, thus, argues that the Commission should act now to adopt and implement an 847 NPA relief plan.

STAFF

Staff takes the position that the many uncertainties associated with both local number portability and number pooling compel the Commission to establish a back-up area code relief plan in the event number pooling cannot be implemented in time or does not successfully extend the life of NPA 847. This back-up plan must consist of a proven method of area code relief.

Staff contends that the form of number pooling proposed by CUB relies on the implementation and turn-up of permanent number portability. Staff notes that Mr. Glynn

stated in his rebuttal testimony that "there is no reason to believe that the implementation of number portability for the Chicago area will be delayed [beyond September 29, 1997]." (Tr. at 1206-07). Staff further notes that that estimate has proven to be erroneous. Staff states that, similarly, Mr. Glynn's estimate of November 19, 1997 has also passed. Staff argues that the availability of number portability is just one of the important assumptions that underlies CUB's, the Attorney General's, the City of Chicago's, and Cook County's contentions that no back-up plan is needed. Staff states that the delay in the implementation of number portability is a reminder that number pooling should not be considered in place until it is actually implemented and working. Therefore, Staff strongly takes the position that the Commission adopt and prepare a back-up plan for implementation.

Staff also argues that beyond the implementation of number portability, there are still significant developments needed before number pooling may be implemented. As an example, Staff states that a number pooling administrator must be established. Staff also notes that the Number Pooling Subcommittee released a request for proposals (RFP) for a number pooling administrator on November 19, 1997 that contains acceptance period language indicating that any proposal must remain "valid for a period of at least one hundred eighty (180) days from the Closing Date [of the RFP]", December 16, 1998. Staff states that the latter language seems to be indicative of a belief by the Number Pooling Subcommittee that the number pooling administrator selection process might extend beyond the target 1/1/98 date, possibly as much as five and a half months into May of 1998.

Staff further contends that number pooling administration guidelines have not been finalized. (Tr. at 1197). These are the guidelines by which carriers will take numbers from the pool of NXX-Xs within a particular rate center for assignment to customers. According to Staff, without these guidelines in place, carriers cannot get numbers, and number pooling cannot be implemented.

Staff further contends that even assuming that number portability is in place and number pooling requirements have been finalized, there is still the larger question of whether number pooling is implementable and workable. Staff states that there is agreement that the implementation of number pooling is a key assumption to his NPA forecast extension. (Tr. at 14-19).

Staff disagrees with Mr. Glynn's statement that number pooling is "easily implemented" (CUB Ex. 3.00, at 28). Staff argues that there are a number of variables that have been brought to the fore and discussed above throughout the course of the hearings and testimony in these two dockets. Staff believes that until it is actually implemented and working, no party can claim that number pooling can be implemented.

Staff criticizes CUB's proposal that the Commission place exclusive reliance for NPA relief on a technological enhancement (number pooling) that is not yet in place

and has not yet even been fully developed, and, which itself relies on an underlying system (local number portability) that is, likewise, not yet in place.

Staff further states that the record in this proceeding itself reflects the uncertainty in the local exchange market. It contains a list of 30 facilities-based carriers, certificated pursuant to section 13-405 of the Illinois Public Utilities Act, that are authorized to request and receive NXXs in the 847 area code, but that have not yet requested codes for one reason or another. (Tr. at 1250-60). Staff notes that Mr. Glynn acknowledges that he did not consider data from these carriers in conducting his analysis and in formulating his forecast. (Tr. at 1022). In addition, Staff notes that Mr. Glynn acknowledges that his forecast does not account for entry into the NPA 847 market by these carriers and their concomitant request for and use of NXX codes. (*Id.*). Staff argues that entry into the NPA 847 market by these carriers will significantly alter CUB's projected utilization of NNX codes and, consequently, dramatically foreshorten CUB's forecast.

Staff also argues that another factor not taken into account by Mr. Glynn in his use of a growth figure in both analyses is the "growth in the use of telecommunications services that depend on the availability of numbers." (Staff Ex. 1.0, at 23). Staff asserts that markets without competition are generally more stagnant in terms of growth than those with competition. Staff further asserts that competition is just now beginning to occur in the local telephone market. According to Staff, this may expand the market for second and third lines, and may fuel the technological development of new services that use numbers. Staff contends that, for these reasons, using historical growth rates, and forecasts based on them, may prove unreliable in the long term.

Staff also argues that in Mr. Glynn's second forecast, some assumptions were made regarding wireless carriers' needs that may not have been entirely accurate. Staff states that for his analysis, in projecting wireless code use, Mr. Glynn assumed that wireless carriers could use a single NXX across the entire area code for all of their needs. Staff notes that under cross examination, however, he agreed that it was possible that wireless carriers might need to segregate NXXs between separate rate centers within an area code just as wireline carries do. (Tr. at 1133). Further, Staff notes that Mr. Glynn failed to take into account the need by wireless carriers for separate NXXs for special use codes that are needed for such services as distinct routing, rating, and billing, and are different from the codes wireless carriers require for customer growth. (Tr. at 1138-40). Staff contends that correcting his analysis to account for special use codes by wireless carriers would most likely shorten Mr. Glynn's NPA 847 exhaust forecast.

Staff finally asserts that the Commission has certain federally mandated obligations with respect to area code relief, one of which is making available numbering resources to carriers to facilitate competition. Section 251(b)(3) of the Telecommunications Act of 1996 requires all "providers to have nondiscriminatory access to telephone numbers." 47 U.S.C. § 251(b)(3) (1996); see 47 CFR § 52.9

(1996). To this end, Staff contends that the Commission is charged with the responsibility of ensuring that numbering resources are made available to telecommunications carriers serving the 847 NPA. Staff states that to fulfill this responsibility, the Commission has two options: (1) adopt a back-up plan; or (2) not adopt a back-up plan and place sole reliance on the development and implementation of number pooling prior to exhaust of the 847 NPA. Staff takes the position that if for some reason number pooling cannot be developed or implemented prior to exhaust of the 847 NPA, or simply proves not to extend the life of the 847 NPA, by adopting Staff's recommendation the Commission has a back-up plan ready for implementation to fulfill its responsibilities under the Act.

CELLULAR ONE

Cellular One contends that there remain several critical steps which have not been resolved and cannot be resolved in time for this Commission to allow the implementation of number pooling in lieu of area code relief. Cellular One argues that CUB does not have the independent technical expertise to establish that pooling can presently be implemented. Cellular One takes the position that CUB cannot meet its burden of providing credible evidence that pooling can be implemented in a manner that will ensure a sufficient supply of codes to meet continued demand.

Cellular One also cites the fact that number portability is a necessary prerequisite for number pooling and that it has not been implemented per its planned schedule. Cellular One notes that number portability is not yet commercially available.

Cellular One also contends that once number portability is commercially operational, it number pooling must be trialed in the network. Cellular One states that number pooling, despite its potential benefits to number allocation, may create serious capacity issues and serious stress on the implementation of number portability. Citing Nextel Cross Examination Exhibit 2 (October 8, 1997 letter to FCC).

Like other parties, Cellular One also contends that there were material aspects of number pooling that the Number Pooling Subcommittee was established to work out, including the fact there is no entity yet in place to administer the pooled numbers and no guidelines on how pooled numbers will be administered.

Cellular One also asserts that there is no consensus on how costs will be recovered for the implementation of pooling. While Cellular One does not doubt that these issues will eventually be worked out, Cellular One contends that the absence of completed solutions to these issues demonstrates that number pooling simply cannot be viewed as a substitute for an NPA relief plan not only because it is not NPA relief but because it is not yet available.

NEXTEL

Nextel contends that the evidence indicates that, unless number pooling is successfully implemented, the number of assignable NXX codes in the 847 NPA will exhaust by the end of 1998, at the latest. From January, 1996, when the 847 NPA was opened, through August 6, 1997, a period of only 1 1/2 years, the number of assignable NXX codes in the 847 NPA decreased from 792 to 173, as codes were assigned to meet the explosive growth in both the demand for telecommunications services and the number of competing wireline and wireless carriers. Citing Am. III. Ex. 1.6, p.21 Nextel further states that from August 6 to October 14, 1997, a period of approximately two months, the number of unassigned NXX codes further dwindled to 136, at an assignment rate of approximately 18 NXX codes per month. Citing CUB **Ex. 3.4**; Tr. 1171-74.12. Nextel states based on the most current code utilization forecast compiled by Wallace Data Comp, by the fourth quarter of 1998, there will be only 15 unactivated NXX codes remaining in the 847 NPA. Nextel argues that it is significant that there are 39 existing code holders in the 847 NPA and at least 41 wireline carriers and three wireless carriers which are authorized (or have pending requests for authorization) to provide service in the Chicago area, but which have not yet requested codes in the 847 NPA. Nextel states that with each wireline carrier having the potential to request one or more NXX codes in each of the 42 wireline rate centers in the 847 NPA, there is a grave risk that the 847 NPA will exhaust in the very near term even if one erroneously assumes that there will be no demand by any of the 39 existing NXX code holders (including 18 wireless carriers) for additional NXX codes to meet customer requirements.

Accordingly, Nextel contends that it is imperative that the Commission take action immediately to approve an area code relief plan for the 847 NPA. Nextel notes that the NPA Code Relief and Modification Guidelines provide that the request for a new NPA code should normally be made to the North American Number Plan Administrator at least 18 months prior to the NPA relief date. Nextel further notes that this request can only be made if the Commission has approved a relief plan. Citing Am. III. Ex. 2.0, p.5. These guidelines also indicate that the relief plan should normally be implemented six months to a year before exhaust occurs.

CUB RESPONSE TO CRITICISMS OF ITS ANALYSIS

CUB responds to the common criticism that Mr. Glynn's number administration model incorporated faulty assumptions about the number of available NXX codes. CUB asserts that these criticisms, in fact, evidence a patent misunderstanding of Mr. Glynn's number administration model. Specifically, CUB states that Mr. Glynn did not assume that there would be 175 NXX codes available for assignment at the end of the third quarter of 1997, as IBT asserts. CUB asserts that Mr. Glynn's model specifically studied the number of unactivated NXX codes in the 847 NPA. CUB states that Mr.

Glynn incorporated data provided by the Number Administrator at the October, 1997 meeting of all 847 code holders that showed that 194 NXX codes had not been activated at the end of the second quarter of 1997. See CUB Ex. 3.4.

CUB contends that none of the number pooling opponents dispute that there were 194 NXXs not activated at the beginning of the eight quarter study period used in Mr. Glynn's number administration model. CUB further contends that these parties do not dispute that the Number Administrator's Code Activation forecasts, detailed in CUB Ex. 3.4, showed that 180 NXXs were not activated at the end of the third quarter of 1997. CUB asserts that, nonetheless, these parties argue that only 136 NXX codes were available for assignment. IBT Brief, p.7; Cellular One Brief, p.7; Nextel Brief, p.18. CUB argues that these parties' criticisms are nothing more than number pooling opponents mixing apples with oranges.

CUB asserts that Mr. Glynn made it clear that reserved codes are, in fact, fully accounted for in his number administration model. During cross-examination, Mr. Glynn pointed out that the number of NXX codes assigned to carriers but not yet activated are accounted for in the carriers' forecast data and his number administration model. Tr. 1506. Mr. Glynn noted: "(I)f the numbers have been allocated to a carrier but the carrier hasn't reported them as codes that are active, ... they have them in reserve, ... their forecast for the third or fourth quarter... would have covered those allocations." Id. CUB asserts that carriers that had reserved NXX codes provided forecast data to Mr. Glynn that showed the activation of these reserved codes. CUB's analysis assumes that all 194 of the NXX codes that have not been activated before the end of the second quarter of 1997 will be assigned to carriers and activated.

CUB also responds to the criticism that Mr. Glynn's model failed to incorporate an assumption for NXX code use by new, certificated carriers who may establish service in the 847 NPA some time in the future, thereby underestimating demand for numbering resources. Cellular One Brief, p.7; Nextel Brief, p.19; Staff Brief, p.10; IBT Brief, p.7-8. CUB asserts that these parties fail to recognize that it is conceivable that there will be fewer carriers in the market as there will be more carriers over time. CUB notes that since the beginning of this docket, Illinois Bell took over the operations of Sprint/Centel, an incumbent local exchange carrier that serves the northwest side of the City of Chicago and nearby suburbs. In addition, AT&T is taking over the operations of TCG, a fellow competitive local exchange carrier. Moreover, the parent company of Metropolitan Fiber Systems ("MFS" or "WorldComm") is taking over MCI's operations. According to CUB, these six 847 code holders now on the way to becoming three carriers, account for 79% of the forecasted wireline demand used in the CUB number administration model as detailed in the publicly available Local Exchange Routing Guide ("LERG"). CUB further states that Mr. Glynn's number administration model incorporated several assumptions that erred on the side of conservatism.

COMMISSION CONCLUSION

Number pooling is a concept that has widespread support in the telecommunications industry. It is uncontested that successful implementation of number pooling will delay the need for area code relief for some period of time. The issue before us is whether number pooling can be successfully implemented in time to prevent 847 area code exhaust.

There are three choices before the Commission. The first is to adopt number pooling and not adopt a traditional relief plan as recommended by CUB, AG and the City. The second option is for the Commission to adopt number pooling along with a traditional relief plan. The third option is for the Commission to reject number pooling and adopt only the traditional relief plan.

The second option is the only viable option at this point in time. Mr. Glynn's effort was a monumental one. The Commission respects his analysis and finds that his conclusions are reasonable. The Commission, however, cannot accept the position of CUB, City and AG that the Commission should not implement a traditional area code relief plan as a back-up plan. It would be irresponsible to rely exclusively on Mr. Glynn's analysis.

Once number pooling is implemented, the Commission is of the opinion that there must be some testing of the system. It is possible that number pooling may not work as planned. The Commission agrees with Cellular One that the commercial roll out of number portability is only the first step in the implementation of number pooling. We agree that once number portability is commercially operational number pooling must be trialed in the network.

The Commission would be ill-advised to rely exclusively upon technological solutions not yet developed or available as a basis for area code relief. As a result, we direct the Illinois LNP Task Force to continue its work on number pooling, and take all measures necessary to develop, implement, and trial number pooling within NPA 847 as soon as is technically feasible. The Commission must adopt a back-up area code relief plan to be implemented in the event number pooling either cannot be implemented prior to 847 exhaust or does not extend the life of the area code.

The Commission determines that, however, the record evidence does support a finding by the Commission that number pooling is in the public interest and should be implemented in all five Chicago Area NPAs. We direct all wireline carriers serving these NPAs to immediately resolve all technical and administrative issues related to number pooling and, including necessary trials to ensure that the system will operate properly, and forthwith implement number pooling for the 847 NPA. The Commission further directs IBT to file a report with the Commission within 45 days of the issuance of this Order regarding the industry's progress in implementing number pooling. Subsequent reports should be filed every 45 days for as long as the 847 NPA remains

in jeopardy status. With Staff and CUB playing a dominant role in the number pooling subcommittee, we also direct Staff and CUB to file a report to the Commission with respect to the industry's progress in implementing number pooling following the same timeline directed for IBT. Other reports filed by any other interested party are likewise welcome. Upon receipt of these reports we will review them and decide whether further Commission action is required with respect to 847 area code exhaust.

Staff and IBT state in their briefs on exceptions that it is the Local Number Portability Task Force that should file a report with the Commission and other interested parties should comment on that report. The Commission rejects this proposal. During these proceedings, there was considerable debate as to whether this Committee's report was properly admissible. There was also debate as to whether this Committee's conclusions applied to all its members. For these reasons, the Commission requests said reports directly from the parties.

Various parties expressed concern in their briefs on exceptions that number pooling should not be implemented in all Chicago area NPAs, but rather only the 847 NPA. Specifically, Staff argues that there are some Service Control Point ("SCP") capacity issues that must be addressed before number pooling can prudently be implemented. The Commission agrees and, accordingly, requests that IBT, Staff, CUB and any other interested parties specifically address this issue in the reports to be filed as outlined above. It is the Commission's intention to implement number pooling for the remaining Chicago Area NPAs once this capacity issue is resolved.

Furthermore, wireless carriers are hereby directed to participate in number pooling as soon as technically feasible, but no later than June 30, 1999. This date is in accordance with the date listed by the FCC by which wireless providers shall be LNP capable.

Number pooling may forestall 847 NPA exhaust. The Commission cannot, however, afford to wait any longer to implement a traditional NPA relief plan. With exhaust of the 847 NPA to occur at the end of the fourth quarter of 1998, and a minimum lead time of at least seven to eight months to implement an all service overlay and a year to implement reasonably a geographic split, the time for the Commission to adopt a plan is now.

The Commission is aware that if number pooling is successful, it is possible that the traditional relief plan may be placed on hold. We, therefore, direct IBT, in its role as number administrator, to implement the traditional relief plan set forth in this Order in cooperation with other carriers operating in the 847 NPA while being cognizant that this Commission may take further action on these issues in the near future. To that end, the Commission directs IBT to refrain from taking actions that will make it difficult to delay said relief plan if number pooling is successful. For example, IBT should refrain from assigning the new NPA to carriers for as long as it can without causing an

exhaust to occur. Furthermore, IBT should set a target date for the new NPA to become operational as far in the future as possible.

The Commission further directs that Illinois Bell Telephone Company, in its role as number administrator in Illinois, to file reports at regular 30 day intervals following the initial report to be filed within 45 days of the issuance of this Order, describing the progress of the implementation of number pooling in the 847 NPA in delaying the exhaust of the 847 NPA and providing information on the forecasted exhaust date of the 847 NPA. The reports should continue to be filed with the Commission until the Commission determines that the back-up area code relief plan for NPA 847 is not needed.

III. CONSERVATION MEASURES

Effective November 3, 1997, the number administrator implemented emergency number conservation measures in the 847 NPA including those measures authorized by Section 8.4 of the Industry Numbering Committee ("INC") Central Office Code (NXX) Assignment Guidelines and additional measures accepted by industry participants. The INC Guidelines are included as Am. III. Ex. 1.1, attached to the Direct Testimony of Lisa K. Robertson. The conservation measures in effect are summarized in the following paragraphs:

- (1) All carriers and paging companies that provide, or plan to provide, service in the 847 NPA were required to provide a code forecast to Wallace Datacomp by December 3, 1997. The number administrator will not consider a code request from any carrier that has not previously provided a code forecast;
- (2) Before being assigned an NXX code for growth, every code applicant is required to complete and deliver to the number administrator a Months to Exhaust Worksheet which identifies the number of telephone numbers the applicant has available for assignment in a rate center, how many numbers the applicant has used in the past six months and how many numbers the applicant projects to use in the next 12 months;
- (3) Applications for new NXX codes will not be accepted by the administrator sooner than 90 days before they are required. [Presumably, the number administrator will be able to make this determination from the Months to Exhaust Worksheet;]
- (4) A code holder must file a Confirmation of Code Activation with the administrator within 90 days after the code is activated. NXX codes not activated in a timely manner are subject to reclamation by the number administrator;

- (5) For all newly assigned codes, carriers agree to administer the codes in blocks of one thousand numbers. A thousand block should be at least 90% full before numbers are utilized from additional thousand blocks unless a specific customer requirement for numbers cannot be satisfied from the thousand blocks already in use;
- (6) Carriers may not assign numbers from NXX codes requested for growth until at least 75% of the numbers in that carrier's existing NXX codes in a rate center have been utilized, except to satisfy a documented customer requirement based on technical limitations or the need for a consecutive block of numbers not available in the existing NXX codes. Notwithstanding this requirement, a carrier may request a code required for a special use (such as to identify a class of service with a unique billing arrangement) but may not request additional special use codes - until its existing special use codes used for the same purpose are at least 75% utilized.

Separate and apart from the conservation measures implemented by the number administrator with industry concurrence, CUB is asking the Commission to order code holders and applicants to comply with several specific conservation measures. Several of the emergency conservation measures identified by CUB were incorporated into the industry conservation measures. The primary difference is that CUB wanted specific conservation rules to apply to a code holder's existing NXX codes, not just newly-assigned codes. Specifically:

- (1) A code holder would be required to refrain from assigning numbers from any thousand block in an NXX with 50 or fewer numbers currently in use until it had used at least 90% of the numbers in the other thousand blocks in that NXX;
- (2) A code holder would open only one thousand block at a time in an NXX and utilize 90% of those numbers before opening an additional thousand block;
- (3) An exception to (1) and (2) would apply if the code holder certified to the number administrator that it needed to open an additional thousand block (or request a new NXX code) in order to satisfy a bona fide request from a customer for a consecutive block of numbers that could not be -satisfied

in any other way. The numbers would have to be activated within six months, or any new NXX code assigned to meet this request would be reclaimed.

IBT and several other carriers already had implemented the restriction on use of existing codes requested by CUB in order to preserve as many thousand blocks for number pooling as possible.

The other principal difference between the industry conservation measures and the CUB request is that the industry conservation measures do not permit a code holder to use numbers from a newly-assigned NXX code until its existing NXX codes in the same rate center are at least 75% utilized; whereas, the CUB proposal would not allow a code holder to request an additional NXX code until its existing NXX codes were at least 75% utilized.

Nextel and Cellular One contend that adoption of CUB's proposed conservation measures could interfere with the ability of carriers to obtain new numbers for growth in a timely manner. This is because, under the code assignment procedures, there is a ninety day lag between the time that a new NXX code is requested and the time that it can be activated. Nextel and Cellular One both contend that there will be circumstances in which a carrier needs to request a new NXX code to meet expected growth in customer demand within a ninety day period, even though one or more of the carrier's existing NXX codes has a utilization rate of less than 75% at the time the carrier makes its request to the Code Administrator. Both contend that the adoption of CUB's proposal would have a discriminatory effect on relatively new wireless carriers which are growing rapidly, but which have few assigned codes and, therefore, do not have a significant inventory of unused numbers.

IBT supports the industry conservation measures currently in effect. According to IBT, strict conservation measures are needed to ensure that exhaust of 847 does not occur before relief can be implemented. IBT states that if the Commission adopts the CUB proposals in addition to the industry conservation measures, an exception to CUB's proposed 75% fill rate requirement before requesting a new NXX code should be recognized. The exception would apply where the applicant certifies to the number administrator that it will have a bona fide need to use numbers from a new NXX code for growth within 90 days, even though its existing NXX codes are not yet 75% utilized.

IBT opposes CUB's position that conservation measures would remain in effect indefinitely and would apply to all of the Chicago metropolitan area NPAs (847, 630, 708, 312 and 773). IBT argues that under the INC Guidelines, on which the industry conservation measures are based, the number administrator has no authority unilaterally to extend the conservation measures to an NPA that is not in a jeopardy situation or to continue the conservation measures beyond the date that NPA relief is fully implemented. Therefore, IBT believes that the conservation measures should

apply only in the 847 NPA at this time and only until 847 NPA relief is fully implemented.

Nextel, Cellular One and IBT also contend that ordering the implementation of conservation measures that extend beyond the 847 NPA may be beyond the Commission's jurisdiction.

Staff states that it is unclear whether there is a need for CUB's conservation measures. Under the current jeopardy NPA measures, carriers must now certify that they will exhaust their existing NXX codes within three months. Staff asserts that this forces carriers to more fully utilize their numbering resources. According to Staff, if the current measures are enforced, CUB's measures may prove unnecessary. Moreover, Staff contends that if codes are given out to carriers when they are not near the point of exhaust, this problem is an enforcement problem, not an indication that additional conservation measures are necessary or might prove helpful.

Accordingly, Staff does not believe that the record justifies adoption of CUB's number conservation measures at this time. Instead, Staff recommends that the Commission require the industry to work with CUB to determine whether additional conservation measures are necessary on a long-term basis.

CUB responds to these arguments by first stating that a Stipulation and Agreement, signed by CUB, other consumer intervenors, MCI, TCG, the Northwest Municipal Conference and the West Central Municipal Conference was filed with the Commission in which the signatories endorsed these conservation measures. CUB contends that these conservation measures contain a more than generous fill rate -- as evidenced by both TCG's and MCI's willingness to sign the Stipulation. Moreover, CUB argues that Nextel and Cellular One ignore the fact that CUB's proposed 75% rule makes an exception for carriers with less than two codes. CUB Ex. 3.0, p.8.

CUB contends that the conservation measures outlined in the Stipulation and Agreement are the next logical step toward ensuring the efficient utilization of NXX codes, and a means to ensure that all code holders in the 847 NPA -- both current and new ones -- participate in number conservation, not just those volunteering to do so.

CUB further contends that there is no reason to limit the implementation of conservation and pooling to the 847 NPA alone. CUB notes that the Number Administrator anticipates that area code exhaust relief will be needed within a few years for the four remaining Chicago area NPAs. See IBT Ex. 1.0 at 5, ICC Docket No.97-0211. CUB states that implementation of number pooling and conservation in only one NPA simply makes no sense and invites duplicative, time-consuming litigation on the subject of exhaust. CUB has provided uncontroverted evidence of the effect number pooling, coupled with number conservation, has on the supply of numbering resources.

COMMISSION CONCLUSION

The record indicates that the conservation measures implemented by the number administrator with industry concurrence are clearly an effective way to forestall NPA exhaust. The additional measures outlined by CUB that were not accepted by the industry must also be implemented.

The Commission., however, is concerned about the ninety day lag between the time that a new NXX code is requested and the time that it can be activated. It is possible that there will be circumstances in which a carrier needs to request a new NXX code to meet expected growth in customer demand within a ninety day period, even though one or more of the carrier's existing NXX codes has a utilization rate of less than 75% at the time the carrier makes its request to the Code Administrator. We, therefore, accept IBT's proposal for an exception to CUB's proposed 75% fill rate requirement before requesting a new NXX code. This exception would apply where the applicant certifies to the number administrator that it will have a bona fide need to use numbers from a new NXX code for growth within 90 days, even though its existing NXX codes are not yet 75% utilized.

Finally, we direct Illinois Bell, as number administrator, and all wireline and wireless carriers to implement these conservation measures with respect to the 847, 773, 312, 708 and 630 area codes. These measures have the effect of forestalling NPA exhaust with little detriment to the industry. For reasons we cited earlier, we reject arguments that our jurisdiction does not extend beyond ordering a traditional NPA relief plan. Conservation measures relieve NPA exhaust. Therefore, it is within our jurisdiction to implement them. CUB's Petition addressed each of the aforementioned NPAs. The record supports the widespread adoption of these conservation measures because they will, to some extent, relieve area code exhaust in each of the aforementioned NPA's.

IV. PROPOSED RELIEF PLANS

There are two area code relief methods currently proposed by the parties in this proceeding. These are the geographic split and the all services overlay.

GEOGRAPHIC SPLIT

Under the geographic split proposal, the 847 NPA would be divided by an east-west boundary, with the western half of the area currently served by the 847 area code maintaining that distinction, and the eastern half of the area to be served by a newly designated area code. According to IBT's Petition, the boundary line between the proposed area code and 847 would divide the following communities: Des Plaines, Elk

Grove Village, Hawthorne Woods, Lincolnshire, Long Grove, Mount Prospect, Prospect Heights, Riverwoods and Vernon Hills. Wireless services, such as cellular and paging, with 847 numbers would not be required to change area codes.

IBT states that the implementation of a geographic split would begin upon receipt of a Commission order. The timetable for implementation of a geographic split would be as follows: the administrator would attempt to obtain a new NPA code from Bellcore within 14 days and hope to have a "Planning Letter" issued by Bellcore within 30 days of the order. The Planning Letter notifies telecommunications carriers, paging companies, PBX providers and others throughout the world that a new code is being opened so that they can program their switching equipment and other equipment to recognize the new area code and to complete calls made to and from the new area code by the time it goes into service.

IBT further states that, in addition to the switch reprogramming that all carriers must do, local exchange carriers must reprogram their central office switches to permit "permissive dialing" between 847 and the new NPA. That is, customers in 847 and the new NPA would be able to call each other either by dialing 7-digits as they do today or by dialing the area code (847 or the new NPA) and the 7-digit number. This reprogramming usually is referred to as "central office translations" and involves adding and modifying lines of software code in network computers by highly trained programmers. IBT states that it generally takes a minimum of six months from the date of NPA code assignment to complete this reprogramming.

IBT explains that once the central office reprogramming was completed, the permissive dialing period would begin. The purpose of the permissive dialing period is to allow customers a grace period to inform friends, business associates, and other persons with whom they communicate of their new telephone numbers and to allow callers an opportunity to become acclimated to the new area code and dialing plan. It also allows businesses time to print new stationery, change signage and send mailers with their new number to their customer base.

IBT notes that the permissive dialing period serves another critical purpose as well. It allows an opportunity for alarm companies to reprogram their alarm dialers to dial the new telephone number. This work must be done during the permissive dialing period so that until the alarm is reprogrammed, the alarm will go through on the old number, and once it is reprogrammed, the alarm immediately will go through on the new number. It avoids any gap in alarm service which is critical for public safety reasons.

IBT states that on a one-year area code implementation schedule, the permissive dialing period would be only three months, which is considered the minimum period acceptable for customers. However, the reprogramming of alarm dialers cannot be completed in such a short period. Therefore, local exchange carriers and the alarm industry would cooperate to provide additional time for alarm

reprogramming. As local exchange carriers opened NXX codes for permissive dialing during the switch reprogramming phase, they would identify these NXX codes to alarm companies so that the alarm companies could begin reprogramming alarm dialers served by these NXX codes before the official permissive dialing period began. At the back end of the process, the local exchange carriers could leave permissive dialing open on the specific 847 NXX codes (usually few in number) that serve alarm company central reporting stations beyond the date when mandatory 11-digit dialing is otherwise required between 847 and the new NPA. This would allow the alarm companies additional time to complete their reprogramming; however, it would reduce the number of NXX codes immediately available for reassignment.

IBT further explains that once the permissive dialing period ended and mandatory 11-digit dialing was required for calls between 847 and the new NPA, NXX codes in the new NPA would be available for assignment. However, there would be a minimum three month aging period before NXX codes that became available in the 847 NPA as a result of the split could be reassigned to carriers to provide service. The purpose of this aging period is to reduce the number of misdialed calls that a customer assigned a new number would receive that were intended for the prior customer for that number.

IBT states that it is important to recognize that the six month reprogramming period, the three month permissive dialing period and the three month aging period necessary to implement a geographic split within one-year are minimum periods. IBT asserts that shortening the implementation period any further would increase the risk of programming errors by telecommunications carriers and alarm companies and would add unfairly to customer confusion, inconvenience and expense.

ALL SERVICE OVERLAY

By contrast, the overlay method would introduce a new area code serving the same geographic area as the current 847 area code. It would further institute 11-digit dialing within both the 847 and new area codes, as well as expand 11-digit dialing to the 630, 312, 708 and 773 area codes. The expansion of 11-digit dialing to other area codes would be performed in successive increments, for example, every six months.

IBT states that implementation of an all service overlay would begin on the date of a Commission order in the same manner as a geographic split by the local number administrator requesting Bellcore to issue a new NPA code within 14 days and to issue the Planning Letter within 30 days. Upon issuance of the Planning Letter, carriers throughout the world would begin reprogramming their equipment to recognize the new area code just as in the case of a geographic split. However, IBT states that local exchange carriers would not be required to do any unique reprogramming within the area code for permissive 7 plus 11-digit dialing between 847 and the new NPA.

IBT further states that as part of the Commission's order, all telecommunications carriers should be required to permit permissive 11-digit dialing of intra-NPA calls in addition to traditional 7-digit dialing of those calls in the 847, 630, 312, 708 and 773 NPAs. This permissive 11-digit dialing would be required as soon as possible but no later than 30-45 days after the issuance of the order. Since some telecommunications carriers already may permit permissive 11-digit dialing of intra-NPA calls, this requirement could be satisfied soon after issuance of the Commission order.

Once permissive 11-digit dialing of intra-NPA calls was in place for all carriers, the Chicagoland area would have a common (albeit permissive), 11-digit dialing plan. Callers could dial anywhere within the Chicagoland area on an 11-digit basis with assurance that the call would be completed. At this point, carriers would begin area-wide customer information programs explaining 11-digit dialing, encouraging its use for all calls, and preparing customers for mandatory 11-digit dialing well in advance of its implementation. At the same time, alarm companies would begin reprogramming their alarm systems to dial 11-digits for intra-NPA calls. The new area code does not need to be opened before the alarm companies begin their reprogramming because there would be no number changes with an all service overlay, and the alarm companies simply would be reprogramming existing numbers to also dial 1+ the NPA code.

The new NPA code could be officially "opened" and available for assignment of NXX codes approximately six to seven and one-half months after the date of the Commission's order. The constraint on opening the NPA code sooner is the requirement that carriers be allowed a reasonable time after issuance of the Planning Letter to complete their network programming to recognize the new area code. The second constraint is the requirement that mandatory 11-digit dialing of intra-NPA calls begin in the 847 NPA and the new NPA at the time of assignment of the first NXX code in the new NPA. A reasonable time must be allowed for customer education to prepare customers for this change in dialing patterns before it becomes mandatory. The third constraint is the time required for alarm companies to complete their reprogramming to 11-digit dialing.

While the overlay NPA code would be available for assignment of new NXX codes approximately six to seven and one-half months after the date of the Commission's order, the actual assignment of NXX codes from the new NPA (and therefore the mandatory 11-digit intra-NPA dialing requirement) potentially could be delayed until the date of actual 847 NPA exhaust if that occurred later than seven and one-half months after the date of the Commission's order as some parties contend will be the case. Once mandatory 11-digit intra-NPA dialing was implemented for 847 and the new NPA, mandatory 11-digit intra-NPA dialing would be phased in for the 630, 312, 708 and 773 NPAs on a schedule set by the Commission so that mandatory 11-digit dialing would be in place in those NPAs by the time an overlay NPA code was required for those areas.

POSITIONS OF THE PARTIES

The merits of each relief plan have been litigated thoroughly before this Commission in two other dockets. The record in this docket is extensive. There is little dispute as to what the advantages and disadvantages are to each plan.

IBT, in its role as a telecommunications carrier, Cellular One, PageNet and Nextel filed opening briefs supporting an all service overlay. These parties state that the primary advantage of an all service overlay is the fact that it does not require customer telephone number changes. With an overlay, existing numbers are not changed. Only newly assigned numbers will use the new area code.

IBT states that an all service overlay is the only reasonable alternative for future area code relief in the Chicagoland area. IBT notes that in the last eighteen months, the Chicago area experienced three area code splits, 708/847, 708/630 and 312/773. IBT further notes that in the three-way 708/847/630 split, approximately two-thirds of all suburban wireline telephone customers received new telephone numbers, and in the 312/773 split, approximately one-half of Chicago wireline telephone customers received new numbers. IBT points out that these customers had to notify friends and family, business associates and others with whom they regularly communicate of their new telephone numbers. Businesses printed new stationery and modified or replaced their signage to display their new numbers. Businesses that had spent huge sums on advertising to promote customer calling to their established telephone numbers found themselves starting over to build customer identification with their new telephone number. Furthermore, IBT explains that in Schaumburg, Elk Grove Village and several other suburban communities, approximately 35,000 telephone customers changed their 7-digit number, in addition to receiving a new area code. IBT asserts that the social and financial costs of these area code splits were significant and burdensome to customers.

IBT states one of the perceived benefits of a geographic split is the preservation of 7-digit dialing. IBT asserts that, in fact, 7-digit dialing is of no practical benefit to customers living in communities along the area code boundaries. IBT cites as an example the fact that if someone on the boundary calls down the street, they may dial 7-digits, but if they dial across the street, they may dial 11-digits. Customers may dial 7-digits to call their doctor, but 11-digits to call their children's school. IBT states that for these customers, not only must they remember the area code for every call they make, they also need to remember when to dial the area code and when not.

IBT also points out that the other reality is that the number of customers living near area code boundaries is not small. IBT states that the carving up of the Chicagoland area into five NPA enclaves involved drawing miles and miles of boundaries almost exclusively through heavily populated areas, thereby splitting

communities of interest, and in some cases actual communities. Thus, IBT explains that for significant numbers of customers, the preservation of 7-digit intra-NPA dialing may have been more of a nuisance than a benefit.

IBT also notes that the 847 area code created in January 1996, is projected to require NPA relief as early as the second quarter of 1998. The 630 NPA may need relief by the third quarter of 1999, the 312 NPA by the fourth quarter of 1999, the 708 NPA by the second quarter of year 2000 and the 773 NPA by the fourth quarter of the year 2000. IBT asserts that the Commission should not begin another round of geographic splits by drawing a new line through the heavily populated 847 suburban area.

MCI and Teleport filed briefs supporting a geographic split over an all service overlay. Teleport supports a geographic split for the following reasons: it states that it is the traditional method of area code relief and is thus less likely to cause confusion; it retains a readily understood one-to-one correlation between geographic areas and area codes, allowing customers to identify the area a party is in by looking at the area code and vice versa; the convenience of 7-digit dialing is retained; it does not competitively disadvantage Competitive Local Exchange Carriers ("CLECs") versus incumbent carriers; and, finally, the new NPA will be populated from the outset, thus making it less likely to be seen by consumers as undesirable.

Teleport cites several disadvantages of the all service overlay. Namely, it cites the following: 1) Customers must dial 11 digits for every call; 2) there will be confusion and inconvenience when more than one area code must be used in the same household, business, and neighborhood; 3) the overlay breaks the unique geographic identity between an area and area code; and new businesses that must take the new area code will be disadvantaged relative to existing businesses that retain the old area code.

MCI states that there are substantial competitive distortions associated with an all service overlay. MCI argues that incumbent local exchange carriers ("ILECs") will maintain a considerable inventory of numbers in the 847 area code, while CLECs will have few or none in a given rate center. Under these circumstances, MCI also states that CLECs face a formidable competitive disadvantage if, for example, an existing customer in the 847 area code seeks an additional line, but wants the new fax or phone line to be served by the same 847 area code that serves that customer's existing line.

IBT responds to MCI's competitive distortion argument by stating that number portability and number pooling will substantially mitigate these concerns. Furthermore, IBT states that the FCC already has considered the competitive concerns of the CLECs and determined that an all service overlay would not be anticompetitive so long as each CLEC certificated at least 90 days prior to implementation of the overlay has at least one complete NXX code in the existing NPA and so long as mandatory 11-digit dialing is in effect at the time codes are assigned from the overlay code. FCC 96-333, CC

Docket No.96-98, Second Report and Order, August 8,1996, p.119, para. 283-284. In addition, IBT states that the FCC recently has stated that number portability will further mitigate any anticompetitive effects of an overlay. In re Pennsylvania Public Utilities Commission Petition for Expedited Waiver of 47 C.F.R. Section 52.19 for Area Code 412 Relief, Order, April 3,1997, para. 17.

MCI replies that IBT's response to this competitive distortion problem is meaningless because it assumes that carriers already have an existing base of numbers. Moreover, MCI states that carriers need numbers in each rate center of which the 847 area code contains approximately 40 where they seek to provide service. In short, only the ILEC will have a sufficient base of numbers to be able to mitigate this problem. In other words, only the ILEC will realistically maintain the ability to provide business and residential customers with second lines within the 847 area code. According to MCI, such a competitive distortion could not occur under a geographic split.

MCI adds that it is ironic that these same parties have expressed doubts about the ability of number portability and number pooling to be able to provide relief for the 847 area code exhaust, but are more than willing to entrust those same technical fixes to address competitive concerns of CLECs.

IESA filed a brief outlining the concerns and requirements of the electronic security industry under both plans without recommending one plan.

The Northwest Municipal Conference, CUB, the Attorney General, the State's Attorney of Cook County and the City of Chicago filed briefs which conclude that neither area code relief plan alternative is acceptable and which decline to state a preference between the two plans.

Staff makes no recommendation in this docket other than the Commission should choose one of the relief plans rather than taking no action as the public interest groups recommend. In its briefs, Staff discusses the advantages and disadvantages of each relief plan. Similar to the proponents of the overlay plan, Staff cites the fact the all service overlay does not require customer telephone number changes and accordingly has a lower cost to implement. Staff also identifies two main disadvantages associated with an overlay. First, the geographic identity of an area code is lost over time as numbers from the new area code are assigned to customers residing in the same geographic area as customers with the existing area code. Potentially, a customer with 847 as an area code might be living next door to a customer with a different area code, or a customer currently residing in 847 may someday have two or more area codes associated with telephone lines running to the same house.

Second, Staff asserts that implementing an overlay introduces 11-digit dialing. For example, two customers living in the same geographic area but having two different

area codes are forced to dial 11 digits to reach each other. In addition, although it is technically feasible for two customers within the new overlay area with the same area code to reach each other using 7-digit dialing, the FCC has prohibited this possibility. In the Local Competition Second Report and Order, the FCC required mandatory 10-digit (11-digit minus the 1) dialing for all areas served by an area code overlay. The FCC considered the dialing disparity that results from permissive 11-digit dialing anti-competitive. This is because it would require customers of providers using the new overlay area code (primarily new entrants) to dial 11 digits while customers of providers retaining numbers in the existing area code (primarily incumbent LECs) continue to dial 7 digits. The FCC recently reaffirmed this decision in an Order, entered April 3, 1997.

Staff also notes that there is a likelihood that 11-digit dialing will occur nationally within two to four years. Staff cites a report drafted by the Industry Numbering Committee ("INC"), which discusses the possibility of adopting a national uniform dialing plan. (Industry Numbering Committee, Uniform Dialing Plan (issued Jan. 31, 1997) ("INC Report"); City of Chicago Cross Ex. 1 Fleck; Tr. 323). The report states that a national uniform dialing plan would alleviate the confusion customers encounter due to different areas of the country using different dialing patterns. (INC Report, at 16). In this report, the INC recommends that 10-digit dialing (removing the 1 usually dialed before the area code) be adopted as the long term goal for a uniform nationwide dialing plan. In Staff's view, the INC Report makes it more certain that the end of 7 digit dialing for local calls is near. Thus, with the increasing number of local calls requiring 11-digit dialing due to geographic splits, 11 digit dialing does not seem as formidable an obstacle as in the recent past.

Staff states that a geographic split has several disadvantages. Staff asserts that a geographic split increases the frequency of 11-digit dialing, eliminates and reduces existing, known area code boundaries, requires many number changes, and often divides communities of interest between area codes. Staff further asserts that the continued use of geographic splits for area code relief increases the frequency of 11-digit dialing and reduces the frequency of 7-digit dialing. With the increased number of area codes in the Chicago metropolitan area, and their shrinking geographic coverage area due to geographic splits, it has become increasingly common for callers to dial 11-digits for a high percentage of their calls. In addition, Staff states that although geographic identity of an area code is retained, the coverage area is reduced. Staff argues that in this case, the boundaries associated with each area code--the existing 847 code and the newly assigned code--are new, unfamiliar boundaries that callers must get used to and that will cause caller confusion. Further, Staff contends that the telephone number changes associated with geographic splits require businesses to incur expenses to change stationery, business cards, and advertising. Finally, Staff argues that because area code boundaries are based on wire center and not community boundaries, an undesirable consequence of a geographic split is that communities of interest are often divided by area codes.

COMMISSION CONCLUSION

The question of which relief plan best serves the public interest is not a difficult one. Clearly, an all service overlay is far superior at this point in time. The geographic split option is not viable in the Chicago area for two reasons. First and foremost, with the advent of the 847 area code being so recent, the expense and inconvenience to individuals and businesses to change telephone numbers again would be too great. The arguments made by MCI and Teleport gloss over this monumental roadblock. It is simply too soon for the public to go to the expense of changing signs, letterheads, sending notifications, etc. This is especially true in light of the fact that there is no guarantee that the next split would last longer. It is evident that time estimates of exhaust have not been reliable in the past.

Second, the benefits of a geographic split are insignificant. Given the diminishing size of the geographic areas, a split would add confusion, rather than clarity to the situation. The advocates of a geographically based area code argue that there is some value in knowing that a particular area code is associated with a particular geographic area. These same advocates argue that 7-digit dialing is a virtue within the geographic area. These arguments are valid when the boundaries are clearly defined as they were in the last three area code splits that have occurred in this area. But as the areas become smaller and the boundaries become more obscure, confusion becomes the rule. This confusion is especially a problem for people along the split borders. With smaller geographic areas, a caller needs to decide where exactly the border is and, in addition, whether to dial seven or eleven digits. An all service overlay would not be confusing in this respect.

The all service overlay plan will cause less disruption and confusion than a geographic split. Ironically, an advantage of an all service overlay is that it continues to associate an area code with a geographic area. The Commission disagrees with Staff that the geographic identity of an area code is lost over time as numbers from the new area code are assigned to customers residing in the same geographic area as customers with the existing area code. Rather, the geographic area that now would be covered by 847 will have two area codes instead of one. For this reason, the Commission directs the number administrator to confine the new overlayed code to the 847 geographic area, which currently is a clearly defined area.

The arguments that MCI and Teleport make regarding the competitive advantage that ILECs will have over new market entrants are meritorious; however, a geographic split is too drastic a remedy for this ill. This Commission is cognizant of this potential problem and will not tolerate a situation where ILECs use their 847 area code inventory to their own competitive advantage. If such an uncompetitive situation arises, we expect that affected parties will exercise their rights under the Public Utilities Act.

The Commission further rejects the arguments of the public interest organizations regarding 11-digit dialing. As Staff correctly notes, the FCC has made it clear that 11-digit dialing must be implemented when an overlay is adopted.

In conclusion, the Commission is of the opinion that an all service overlay best serves the public interest and shall serve as a back-up plan if number pooling does not succeed in forestalling 847 NPA exhaust.

V. FINDINGS AND ORDERING PARAGRAPHS

The Commission, having considered the entire record herein, and being fully advised in the premises thereof, is of the opinion and finds that:

- (1) Illinois Bell Telephone Company is an Illinois corporation engaged in the business of providing telecommunications services to the public in the State of Illinois and, as such, is a telecommunications carrier within the meaning of Section 13-202 of the Illinois Public Utilities Act;
- (2) the Commission has jurisdiction over Illinois Bell Telephone Company and the subject matter of this proceeding;
- (3) the recital of facts and conclusions reached in the prefatory portion of this Order are supported by evidence of record, and are hereby adopted as findings of fact and conclusions of law for the purposes of this Order;
- (4) on May 5, 1997, Illinois Bell Telephone Company filed a Petition with this Commission for approval of a Numbering Plan Area Relief Plan for the 847 area code;
- (5) On April 21, 1997, the Citizens Utility Board filed a petition requesting that the Commission investigate and order the implementation of number pooling or other number conservation measures to delay or avoid the need for relief in Number Plan Area ("NPA") 847 and additional Chicago metropolitan NPAs;
- (6) the issues raised in said petitions are closely related and, by this Order, the Commission consolidates these dockets;
- (7) the evidence presented in this proceeding supports the adoption of number pooling and other conservation measures outlined in the petition filed by the Citizens Utility Board for all wireline and wireless carriers for the 847, 773, 312, 708 and 630 NPAs, as modified herein by this Order;
- (8) the evidence presented in this proceeding supports the immediate implementation of number pooling as outlined in the petition filed by the

Citizens Utility Board for all wireline and wireless carriers for the 847 NPA, as modified herein by this Order;

- (9) the evidence presented in this proceeding supports a delay in the implementation of number pooling for the 773, 312, 708 and 630 NPAs until the SCP capacity issue is resolved to the Commission's satisfaction;
- (10) the evidence presented in this proceeding supports the adoption of the overlay proposal outlined in Illinois Bell Telephone Company's Petition, as modified herein by this Order;
- (11) the evidence presented in this proceeding supports a direction that within 45 days of the issuance of this Order, Staff, CUB and Illinois Bell Telephone Company shall file reports with respect to the progress of the implementation of number pooling for the 847 NPA and with respect to the other Chicago area NPAs, the issue of whether problems with SCP capacity exist and if so, whether these problems affect the implementation of number pooling in the other Chicago area NPAs;
- (12) the evidence presented supports a direction that any party to these consolidated dockets that wishes to file a report with respect to the progress of the implementation of number pooling for the 847 NPA and SCP capacity issues in the other Chicago area NPAs may also file under the same timeline;
- (13) the record supports a direction that Illinois Bell Telephone Company, in its role as number administrator in Illinois, after consultation with the number pooling administrator, file reports at regular 45 day intervals following the initial report to be filed within 45 days of the issuance of this Order, describing the progress of the implementation of number pooling in the 847 NPA in delaying the exhaust of the 847 NPA and providing information on the forecasted exhaust date of the 847 NPA. The reports should continue to be filed with the Commission until the Commission determines that the back-up area code relief plan for NPA 847 is not needed.

IT IS THEREFORE ORDERED that the Petition of the Citizens Utilities Board for the implementation of number pooling or other number conservation measures is granted to the extent that number pooling and conservation are adopted as modified herein by this Order.

IT IS FURTHER ORDERED that Illinois Bell Telephone Company's Petition for approval of a Numbering Plan Area Relief Plan for the 847 area code is granted to the

extent that the Commission adopts the all service overlay plan outlined in Illinois Bell Telephone Company's Petition, as modified herein by this order.

IT IS FURTHER ORDERED that within 45 days of the issuance of this Order, Staff, Illinois Bell Telephone Company and CUB are directed to file reports with respect to the progress of the implementation of number pooling for the 847 NPA and with respect to the other Chicago area NPAs, the issue of whether problems with SCP capacity exist and if so, whether these problems affect the implementation of number pooling in the other Chicago area NPAs.

IT IS FURTHER ORDERED that any party to these consolidated dockets that wishes to file a report with respect to the progress of the implementation of number pooling for the 847 NPA and SCP capacity issues in the other Chicago area NPAs may also file under the same timeline.

IT IS FURTHER ORDERED that Illinois Bell Telephone Company, in its role as number administrator in Illinois, after consultation with the number pooling administrator, file reports at regular 45 day intervals following the initial report to be filed within 45 days of the issuance of this Order, describing the progress of the implementation of number pooling in the 847 NPA in delaying the exhaust of the 847 NPA and providing information on the forecasted exhaust date of the 847 NPA. The reports should continue to be filed with the Commission until the Commission determines that the back-up area code relief plan for NPA 847 is not needed.

IT IS FURTHER ORDERED that, subject to the provisions of Sections 10-113 of the Public Utilities Act and 83 Ill. Adm. Code 200.880, this Order is final, it is not subject to the Administrative Review Law.

By Order of the Commission this 11th day of May, 1998.

Chairman